

Daniel P. Vrakas  
County Executive

# Waukesha COUNTY

DEPARTMENT OF COUNTY EXECUTIVE

December 14, 2005

Dear Citizens of Waukesha County,

Thank you for electing me to serve as your new County Executive. As a Waukesha County native, I am truly honored to represent our citizens in this capacity. Enclosed is a copy of the 2006 Adopted Waukesha County Budget. Please take the time to review it so that you can gain a better understanding of your County government's scope of services.

Since taking office on October 31, I have spent numerous hours reviewing the proposed 2006 Executive Budget that was submitted to the County Board of Supervisors for consideration last September. Upon determining what items should be cut from it in order to reduce taxes, I chose to enact four partial vetoes that result in a budget decrease of \$610,000 and a tax rate drop to \$1.96 per \$1,000 in 2006. The tax freeze limit that I helped craft while serving in the State legislature would have allowed Waukesha County a 2.8% levy increase. The reductions I made equated to a 2.2% increase or 20% less than the tax freeze limit.

In addition to the partial vetoes, I provided a budget addendum that urges the County Board of Supervisors to foster legislation via a unified platform with the County Executive's Office to promote a regional University of Wisconsin (UW) Extension Office, as well as to develop a partnership between UW-Waukesha and UW-Milwaukee. I also issued five executive orders that call for greater efficiencies and program expense reductions from the departments that I oversee, which include:

1. Examine potential cost reductions and operating efficiencies that could occur by substituting some or all of the 18 county-owned motor vehicle fuel dispensing sites with private fueling (gas stations) options.
2. Complete a full energy analysis for park buildings to reduce utility usage and costs.
3. Develop a mapping system to determine the most efficient routes for home delivered meals to reduce mileage expenses.
4. Explore data sharing and information technology partnership opportunities and ideas with municipal governments to increase infrastructure cost savings.
5. Establish a methodology for performance-based outcomes for internal and external human service contracted programs.

There are four major areas that are considered budget drivers in 2006. These areas include the Waukesha County Jail addition, revenue freezes or reductions for mandated services, utility and fuel cost increases, and rising healthcare costs. A brief description of the budget impacts for each of these issues are provided below:

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Waukesha County Jail Addition:

The Waukesha County Jail addition will cost County taxpayers a \$1.4 million tax levy increase to operate a full year in 2006. The expansion eliminates inmate overcrowding at peak times by adding 278 beds. It also increases staffing over a 2-year period by 37.5 positions between the Sheriff's Department and the Public Works Department.

Revenue Reductions for Mandated Services:

Mandated services continue to be a significant burden for the County. Next year, we will spend \$35.4 million of our tax levy to cover costs for mandated services, which is 40.3% of the County's tax levy budget of \$87.9 million.

Utility and Fuel Cost Increases:

Like our families and local businesses, the County has also been faced with drastic spikes in utility and fuel costs. In 2006, it is estimated that the County will incur cost increases of 20% for fuel, 12% for natural gas, and 7% for electricity. As you adjust your personal and/or corporate budgets to account for such increases, the County must reallocate its resources to cover rising utility and fuel costs as well.

Rising Healthcare Costs:

The County has actively pursued measures to help control its healthcare costs. Over the next year, the County will realize a 6% increase in this area, which is significantly lower than the 30% and 25% increases realized in 2002 and 2003. While we have achieved cost savings by negotiating higher insurance deductibles and co-pays with our employees' unions, a case management system, and employee wellness programs, the increase of over \$400,000 in 2006 is still a significant budget burden.

County government provides many valuable services that fulfill specific needs for an ever-growing and diverse population base. As we continue to prosper and grow, it is County government's obligation to deliver effective and efficient services at the appropriate level while limiting spending and reducing taxes. As I begin my administration, be assured that I will continue to balance these critical issues so that our residents achieve an exceptionally high quality of life with the lowest county tax rate in the State for counties that have not implemented a sales tax. Of those counties that have implemented a county sales tax, impressively Waukesha County's tax rate ranks 70<sup>th</sup> out of 72 counties. I am also proud to tell you that Waukesha County is one of less than 50 county government entities in the nation to receive the coveted Aaa/AAA bond rating for its exemplary financial management practices. These ratings continue to lower the County's borrowing costs, and ultimately, its tax rate.

Designing Waukesha County's budget is an incredible undertaking. With respect to this process, I am deeply appreciative of the exceptional effort demonstrated by the County's dedicated team of government professionals. I would also like to thank the County Board of Supervisors for their thorough review of this document and for having the courage to approve the fiscally responsible vetoes that I made for the betterment of the County's business operations, which reduces the tax burden for our residents.

Over the next year, I look forward to implementing measures that control taxes and spending while streamlining business efficiencies to provide better service delivery. I appreciate your support as I introduce initiatives that accomplish these goals.

Sincerely,



Daniel P. Vrakas  
County Executive